

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

-----X	:	
In re	:	Chapter 11
	:	
JOANN INC., <i>et al.</i> ,	:	Case No. 25-10068 (CTG)
	:	
Debtors.	:	(Jointly Administered)
	:	
	:	Related to Docket Nos. 6, 303, 308, and 309
-----X		

**LIMITED OBJECTION AND JOINDER OF ARBOR SQUARE II, LLC, CRI
EASTON SQUARE LLC, DLC MANAGEMENT CORPORATION, FIRST
NATIONAL REALTY PARTNERS, GIBRALTAR MANAGEMENT CO., INC.,
INLAND COMMERCIAL REAL ESTATE SERVICES LLC, NATIONAL REALTY
& DEVELOPMENT CORP., PTC TX HOLDINGS, LLC, RIVERCREST REALTY
ASSOCIATES, LLC, WESTFIELD, LLC, AND WHEELER REAL ESTATE
INVESTMENT TRUST INC. TO MOTION OF DEBTORS TO USE CASH
COLLATERAL, (II) GRANTING ADEQUATE PROTECTION TO PREPETITION
SECURED CREDITORS, (III) MODIFYING THE AUTOMATIC STAY, (IV)
SCHEDULING A FINAL HEARING, AND (V) GRANTING RELATED RELIEF**

Arbor Square II, LLC, CRI Easton Square LLC, DLC Management Corporation, First National Realty Partners, Gibraltar Management Co., Inc., Inland Commercial Real Estate Services LLC, National Realty & Development Corp., PTC TX Holdings, LLC, Rivercrest Realty Associates, LLC, Westfield, LLC, and Wheeler Real Estate Investment Trust Inc., and certain of each of their affiliates as set forth on the attached Schedule 1, (the “Landlords”), by and through their undersigned counsel, hereby file this limited objection (the “Objection/Joinder”) to the *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Creditors, (III) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (V) Granting Related*

*Relief [D.I. 6] (the “Cash Collateral Motion”)¹ and joinder to objections to final relief under the Cash Collateral Motion, including the *Limited Objection of ARC CLORLFL001, LLC; ARC NLLKLFL001, LLC; ARC SMWMBFL001, LLC; ARG JAFPTIL001, LLC; ARG MHMORNC001, LLC; ARG OTOWEKY001, LLC; Acadia Realty Limited Partnership; American Fork SC, LLC; BMA JC LLC; Brixmor Operating Partnership LP; CCA-RSSC LLC; EDENS; Federal Realty OP LP; Gallatin Mall Group, L.L.C.; Hutensky Capital Partners, LLC; La Costa Capital Partners; Lancaster Development Company LLC; Marketplace West Partners, LLC; Orem Family Center, LLC; PBA II, LLC; Pride Center Co., LLC; RD Management, LLC; Renaissance Partners I, LLC; Santa Susana GRF2, LLC; Sherman Commons, L.P., Shopping Center Associates, LP; TPP 217 Taylorsville, LLC; The Sterling Organization; UFPTFC, LLC & BBTFCLLC; and, Westford Valley Marketplace, Inc. to Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Creditors, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief [D.I. 308] and the Objection to Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Creditors, Etc. [D.I. 309] (collectively, the “Filed Objections”), and respectfully represent as follows:**

BACKGROUND

1. On January 15, 2025 (the “Petition Date”), JOANN Inc. and its debtor affiliates in the above-captioned chapter 11 cases (the “Debtors”, and each a “Debtor”) filed their voluntary

¹ Capitalized terms used but not otherwise defined here shall have the meaning ascribed to them in the Cash Collateral Motion and accompanying documents.

petitions for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

2. Upon information and belief, the Debtors continue to operate their business and manage their properties as debtors-in-possession pursuant to 11 U.S.C. §§ 1107(a) and 1108.²

3. The Landlords and Debtor Jo-Ann Stores, LLC are parties to unexpired leases of nonresidential real property (the “Leases”) located in a portion of shopping centers as set forth on the attached Schedule 1 (the “Premises”).

4. The Premises are located within “shopping centers” as that term is used in § 365(b)(3) of the Bankruptcy Code. *See In re Joshua Slocum, Ltd.*, 922 F.2d 1081, 1086-87 (3d Cir. 1990).

5. The Debtors have not paid the rent owed to each of the Landlords for January 2025, including for the use and occupancy of the Premises from the Petition Date through January 31, 2025 (the “January Stub Rent”).

6. On January 15, 2025, the Debtors filed the Cash Collateral Motion. After a hearing held on January 16, 2025, the Court entered an order approving the relief requested in the Cash Collateral Motion on an interim basis [D.I. 106] (the “Interim Cash Collateral Order”). The hearing to consider the Cash Collateral Motion on a final basis is now scheduled for February 11, 2025 at 2:00 p.m. (prevailing Eastern Time).

7. The Landlords and Debtors, through counsel, have been in discussions regarding final relief under the Cash Collateral Motion and the Landlords’ concerns with respect to same, including the payment of January Stub Rent and timely payment of all ongoing post-petition rent.

² Unless otherwise specified, all statutory references to “Section” are to 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”).

While the parties have not reached a resolution, the Landlords will continue attempting to resolve their issues prior to the final hearing on the Cash Collateral Motion.

JOINDER

8. The Landlords hereby join and incorporate the Filed Objections to the extent of the relief requested herein and request such other and further relief as is set forth herein.

9. The Landlords hereby join any other objections filed by the Debtors' landlords or other parties to the extent such objections are not inconsistent with the relief sought herein.

10. The Landlords hereby join the (Sealed) Omnibus Objection of the Official Committee of Unsecured Creditors [D.I. 303] to the extent it opposes the proposed treatment of January Stub Rent and seeks other relief consistent with this Objection/Joinder.

OBJECTION

11. The Debtors and Prepetition Lenders should not be permitted to run these Chapter 11 cases and utilize the Landlords as their involuntary lenders. As adequate protection for payment, the budget to be approved as part of any final order on the Cash Collateral Motion must therefore provide for the full payment of January Stub Rent and timely payment of all ongoing post-petition rent to the Landlords, especially considering the proposed 506(c) and 552(b) waivers. If January Stub Rent is not immediately budgeted and paid or ongoing post-petition rent is not timely paid, the Debtors and Prepetition Lenders are placing the risk of administrative insolvency on the landlord community.

12. The final order on the Cash Collateral Motion must also carry forward the lease-related provisions from the Interim Cash Collateral Order.

RESERVATION OF RIGHTS

13. The Landlords reserve their rights to supplement this Objection and make such other and further objections as they deem necessary or appropriate.

WHEREFORE, the Landlords respectfully request that the Court condition any grant of the Cash Collateral Motion as set forth in this Objection/Joinder and grant the Landlords any additional and further relief the Court deems just and proper.

Dated: February 7, 2025
Wilmington, Delaware

BALLARD SPAHR LLP

By: /s/ Laurel D. Roglen
Leslie C. Heilman, Esq. (DE No. 4716)
Laurel D. Roglen, Esq. (DE No. 5759)
919 North Market Street, 11th Floor
Wilmington, DE 19801
Telephone: (302) 252-4465
E-mail: heilmanl@ballardspahr.com
E-mail: roglennl@ballardspahr.com

-and-

BARCLAY DAMON LLP

Kevin M. Newman, Esq.
Barclay Damon Tower
125 East Jefferson Street
Syracuse, New York 13202-2020
Telephone: (315) 413-7115
E-mail: knewman@barclaydamon.com

Scott L. Fleischer, Esq.
1270 Avenue of the Americas, Suite 501
New York, New York 10020
Telephone: (212) 784-5810
E-mail: sfleischer@barclaydamon.com

Niclas A. Ferland, Esq.
545 Long Wharf Drive, 9th Floor
New Haven, Connecticut 06511
Telephone: (203) 672-2667
E-mail: nferland@barclaydamon.com

Counsel to Arbor Square II, LLC, CRI Easton Square LLC, DLC Management Corporation, First National Realty Partners, Gibraltar Management Co., Inc., Inland Commercial Real Estate Services LLC, National Realty & Development Corp., PTC TX Holdings, LLC, Rivercrest Realty Associates, LLC, Westfield, LLC, and Wheeler Real Estate Investment Trust Inc., and certain of each of their affiliates

SCHEDULE 1

Landlord	Shopping Center	Location	Store No.
CASTO			
Arbor Square II, LLC	Arbor Square	Mason, OH	2147
CRI Easton Square LLC	Easton Square	Columbus, OH	2001
DLC Management Corporation			
CH Realty X-DLC R Wheaton Danada West, L.L.C.	Danada Square West	Wheaton, IL	140
Frederick County Square Improvements, LLC	Frederick County Square	Frederick, MD	1951
Silas Creek Improvements, LLC	Silas Creek Shopping Center	Winston-Salem, NC	2562
Spring Creek Owner, LLC	Spring Creek Centre	Fayetteville, AR	1894
Taylor Square Holdings, LLC	Taylor Square	Reynoldsburg, OH	2012
University Place Improvements Owner LLC	University Place	Carbondale, IL	521
First National Realty Partners			
Brandywine Crossing SC LLC; Brandywine Crossing SC TIC 1 LLC; Brandywine Crossing SC TIC 2 LLC; Brandywine Crossing SC TIC 3 LLC; Brandywine Crossing SC TIC 5 LLC; Brandywine Crossing SC TIC 6 LLC; Brandywine Crossing SC TIC 7 LLC; Brandywine Crossing SC TIC 8 LLC; Brandywine Crossing SC TIC 9 LLC; Brandywine Crossing SC TIC 11 LLC	Brandywine Crossings	Brandywine, MD	2148
WH Plaza LLC; WH Plaza TIC 1 LLC; WH Plaza TIC 2 LLC; WH Plaza TIC 3 LLC	Whitehall Plaza	Bloomington, IN	607
HV Center LLC; HV Center TIC 1 LLC; HIV Center TIC 2 LLC	Hooksett Village Shops	Hooksett, NH	132
Gibraltar Management Co., Inc.			
Kingston Center L.P.; GBR Neighborhood Road Limited Liability Company; Kingshop Co., LLC	1335-1399 Ulster Avenue, Route 9 West	Kingston, NY	645
Inland Commercial Real Estate Services LLC			
Lake Geneva Retail DST, a Delaware statutory trust – owner; and Lake Geneva Retail LeaseCo, L.L.C., a Delaware limited liability company - master tenant	Geneva Commons	Lake Geneva, WI	2322
National Realty & Development Corp.			
SP 35 L.P.	Shrewsbury Plaza	Shrewsbury, NJ	593
PTC TX Holdings, LLC			
PTC TX Holdings, LLC	Pharr Town Center	Pharr, TX	2464
Rivercrest Realty Associates, LLC			
Columbia (Northpointe) WMS, LLC	Northpointe Commons	Columbia, SC	2172
Florence (Florence Mall) FMH, LLC	Florence Mall	Florence, SC	2201
Westfield, LLC			
Wheaton Plaza Regional Shopping Center LLC	Westfield Wheaton	Wheaton, MD	2382
Wheeler Real Estate Investment Trust Inc.			
Cedar PCP-SAN Souci, LLC	Patuxent Crossing	California, MD	431
Martinsville Mall, LLC	Villages of Martinsville	Martinsville, VA	2454